



The State of Utah

Department of
Natural Resources

Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

Representatives Present During the Inspection:

Company Vicky S. Miller Environmental Specialist

OGM Pete Hess Environmental Scientist III

Inspection Report

Permit Number:	C0070039
Inspection Type:	PARTIAL
Inspection Date:	Monday, November 15, 2004
Start Date/Time:	11/15/2004 9:20:00 AM
End Date/Time:	11/15/2004 11:20:00 AM
Last Inspection:	Wednesday, October 20, 2004

Inspector: Pete Hess, Environmental Scientist III

Weather: Clear, sunny, 30's - 50's F.

InspectionID Report Number: 455

Accepted by: whedberg

11/23/2004

Permittee: **CANYON FUEL COMPANY LLC**

Operator: **CANYON FUEL COMPANY LLC**

Site: **DUGOUT CANYON MINE**

Address: **PO BOX 1029, WELLINGTON UT 84542**

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

Current Acreages

7,083.71	Total Permitted
51.11	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- ☒ Federal
☒ State
☐ County
☒ Fee
☐ Other

Types of Operations

- ☒ Underground
☐ Surface
☐ Loadout
☐ Processing
☐ Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

There are no compliance actions currently pending for the Dugout Canyon Mine permit area. The permittee continues to be in compliance relative to the Special Permit Condition included in Attachment "A" of the current State permit which requires that the permittee submit quarterly surface and ground water monitoring information in an electronic form to the Division website.

Inspector's Signature

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

Date Monday, November 15, 2004

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

As noted in the October inspection report, it was necessary for the Utah Division of Water Quality to republish the proposed version of the under review UPDES permit for the Dugout Canyon Mine. According to Ms. Miller, a meeting is to be held on November 17, 2004 to review any public comments received relative to the issuance of this permit. If no critical issues are identified, the permittee anticipates that the new site specific UPDES permit should be issued by early December 2004. The permittee is currently working on submitting updated ownership and control information for the Dugout Canyon, Soldier Canyon, Banning siding, Degasification wells, and SITLA lease amendments. The permittee anticipates that a permit amendment for the Pace Canyon portal breakout will be submitted to the Division in December 2004. The permittee has determined that due to unanticipated geologic conditions in the second longwall panel of the Gilson seam, it is necessary to look at expanding the waste rock disposal capability. The permittee is looking at expanding the volumetric potential of the current site, as well as permitting a new site.

3. Topsoil

In order to expand the disposal capability of the permitted waste rock site, it will be necessary for the permittee to recover additional soil volumes from that permit area. The main recovery area lies north of the current disposal site, and somewhat to the west. Ground conditions in the area are at this time, very soft. The permittee has discussed the possibility of increasing the surface elevation of the current waste pile until the soil recovery can be accomplished. At that time, the pile would be recontoured to the approved elevations, or higher elevations which have gone through the Division's permitting process. Mr. Spillman indicated that adequate reclamation topsoil volumes are a concern if the storage volume is increased due to the requirement in R645-301-553.252 stipulating four feet of cover over the refuse material. A borrow area is being evaluated.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The Mine site sediment pond contained a large volume of water; the surface elevation of that volume was approximately two feet below the discharge elevation of the primary decant riser. The waste rock pond also contained a large volume of water; that surface elevation was at least four feet below the elevation of the open spillway. There were no compliance issues noted with either impoundment.

4.d Hydrologic Balance: Water Monitoring

Ms. Miller indicated that she has not been able to sample two ground water monitoring wells (10-2 and 11-2) and two springs in Pine Canyon due to adverse weather conditions (road conditions and snow depth) in the sampling area. The permittee indicated that adequate documentation has been made to justify a "no access" reporting. Future attempts to conduct the monitoring will be made until the quarterly time frame is exhausted. One and a half to two feet of snow were reported above Pace Canyon on or about November 3, 2004.

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4.e Hydrologic Balance: Effluent Limitations

The permittee reported an exceedence in total iron from outfall 002A (Mine site sediment pond) to the DEQ/DWQ and the DOGM on this day. Heavy precipitation (snow and rain) received during the week of October 18, 2004 caused the pond to discharge. The permitted effluent parameter quantity for total iron is 1.0 mg/l; the pond discharged water having a total iron content (when sampled) of 2.02 mg/l. The permittee did not know the duration of the discharge.

16.b Roads: Drainage Controls

The permittee has reworked several ditches at both the Mine site and the waste rock site. The freeze / thaw cycle currently occurring in the area is causing spalling of cut banks. Saturated soils are also creating some slumping of the bank cuts into ditches.